

February 17, 2011

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW.
Washington, DC 20551

Re: Docket No. R-1404 and RIN No. 7100 AD63

Board of Governors of the Federal Reserve System,

Thank you for the opportunity to comment on the Federal Reserve System's proposed "Debit Card Interchange Fees and Routing" rule.

This proposed rule is a government imposed price control and will affect a banks ability to fund operational costs for programs such as Free Checking and Mobile Banking. This action is a direct attack on consumer use, since the debit card has become a fundamental part of buying products and services. Banks will lose significant income, virtually making the debit card program unprofitable. This will result in elimination of debit cards by some Banks. Many credit unions, with much smaller revenue may also impose a charge directly to the consumer per transaction, and/or a monthly fee. Either way, consumer stand to lose even more of their hard-earned dollars.

The only beneficiaries of this harmful rule are retailers, who will take home an additional \$15 billion in profits - and consumers will be left to deal with the consequences. The rule does not require that retailers pass along even one penny of their savings to customers. Meanwhile, banks, forced to lose money on debit interchange transactions, will be forced to compensate by increasing fees for customers.

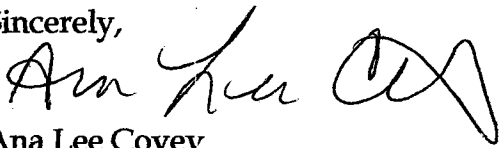
I do not believe it is fair that we as consumers ultimately end up paying in the form of higher fees and or discontinued services while the retailers continue to line their pockets with our money. Retailers have a choice of accepting payment methods. When was the last time a retailer offered a discount if the consumer paid cash? Retailers prefer debit cards or credit cards because of the security inherent with paperless, cashless transactions that deposit funds directly to the retailers' bank account.

This rule change will follow the same path as the "free checking" nightmare when the major banks, Bank of America, Wells Fargo, etc, began charging consumers \$8.95 or

more as a monthly service charge for checking accounts that previously did not have a monthly charge. Many banks are able to provide free services such as free checking and online banking from the revenue generated by interchange fees. If these fees are eliminated the programs they fund also face eliminations, harming the consumer that this rule is intended to protect

For the reasons stated above I am opposed to capping interchange fees since it will have a significant impact on my monthly budget and eventually my cost of using a credit card and/or debit card.

Sincerely,

A handwritten signature in black ink, appearing to read "Ana Lee Covey", with a stylized flourish at the end.

Ana Lee Covey